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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

JIPC Management, Inc.

Plaintiff,

v.

Incredible Pizza Co., Inc.; Incredible
Pizza Franchise Group, LLC;

Defendants.

Case No. CV08-04310 MMM (PLAx)

**DEFENDANTS' BRIEF RE
RELEVANCE AND ADMISSIBILITY
OF DEFENDANTS' FEDERAL
TRADEMARK REGISTRATION**

Date: N/A

Time: N/A

Courtroom: Roybal 780

Judge: Hon. Margaret R. Morrow

Pursuant to the Court’s July 13, 2009 Order, Defendants Incredible Pizza Co., Inc. (“IPC”) and Incredible Pizza Franchise Group LLC (“IPFG”) (collectively “Defendants”) submit their brief on the relevance and admissibility of Defendants’ federal registration for INCREDIBLE PIZZA COMPANY GREAT FOOD, FUN, FAMILY & FRIENDS and Design (the “IPC Mark”).

I. Argument

A. Defendants’ Registration Is Relevant and Admissible.

There can be no dispute that Defendants’ federal trademark registration is admissible. *See* 15 U.S.C. § 1115(a) (“[a]ny registration . . . of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence . . .”).

Defendants’ federal registration also is relevant because it is *prima facie* evidence of the validity of the IPC Mark, the registration of the IPC mark, IPC’s ownership of the mark, and IPC’s exclusive right to use the IPC mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein. *Id.*; *Dept. of Parks and Recreation for the State of California v. Bazaar del Mundo Inc.*, 448 F.3d 1118, 1125 (9th Cir. 2006).¹

Of course, Plaintiff seeks to introduce its registrations for this very reason, asserting the validity of its own registration in support of its claims under the Lanham Act and likely noting that a federal registration is *prima facie* evidence of certain things as noted above. The same *prima facie* standard applies equally to Defendants’

¹ Defendants have followed up on the Court’s June 25, 2009 Order regarding whether a triable issue of fact exists as to willful infringement. In this Order, the Court observed that advice of counsel generally negates a finding of willfulness or bad faith. [June 25 Order, p. 32-33] Within the last few days, Defendants became aware of evidence in a warehouse from Rick Barsness’ former lawyer related to the filing of the IPC trademark application that gave rise to the registration. Defendants will seek leave of the Court to use this evidence in the event that the jury finds Defendants liable for trademark infringement. Otherwise, the attorney-client privilege will not be waived.

1 registration, simply as a matter of law. As outlined below, Plaintiff chose not to raise
2 either claims or defenses in this proceeding that Defendants' registration was invalid
3 or subject to cancellation. Plaintiff thus cannot attack Defendant's single registration,
4 while simultaneously asserting that its own registration constitutes *prima facie*
5 evidence of the validity, registration, and right to use its own mark.

6 Unlike Plaintiff, who bases its infringement claims in part on its registrations,
7 however, Defendants seek to introduce the registration for the IPC Mark for a
8 defensive purpose only. Defendants do not claim that any of Plaintiff's current
9 activities infringe any of Defendants' rights in the IPC Mark or that Defendant's
10 registration can be used offensively against Plaintiff. Defendants seek to introduce the
11 registration primarily to show that the Patent and Trademark Office allowed the IPC
12 Marks and Plaintiff's registered marks to coexist on the Principal Register without an
13 ultimate finding of likelihood of confusion, thus supporting a finding of no likely
14 confusion in this case. Thus, the IPC registration clearly is admissible and relevant.

15 **B. Plaintiff Should Be Precluded From Introducing Evidence of Alleged**
16 **Fraud in the Application for the IPC Mark.**

17 When a party presents a federal registration in support of a claim or defense, any
18 other party may assert legal or equitable defenses or defects, "including those set forth in
19 subsection (b) of this section, which might have been asserted if such mark had not been
20 registered." 15 U.S.C. § 1115(a). Included among the enumerated defenses of
21 subsection (b) is "[t]hat the registration or the incontestable right to use the mark was
22 obtained fraudulently." 15 U.S.C. § 1115(b)(1). Presumably on that basis, Plaintiff
23 argues that it should be entitled to introduce any and all of its evidence of invalidity of the
24 IPC registration, including alleged fraud in the application process. Plaintiff is wrong.

25 First, despite having been aware of Defendants' registration for years, and having
26 sought cancellation of the registration before the Trademark Trial and Appeal Board in
27 2004, Plaintiff failed to plead either a claim for cancellation of the IPC Mark registration
28 or any affirmative defense of fraud under section 1115(b) in this case. *See Philip Morris,*

1 *Inc. v. Imperial Tobacco Co., Ltd.*, 251 F. Supp. 362, 379 (E.D. Va. 1965) (“The burden
2 of establishing a defense which falls within one of the exceptions mentioned in 15 U.S.C.
3 § 1115(b) is upon Imperial. The defense must be pleaded affirmatively, Fed.R.Civ.P.,
4 8(c). Imperial has not done this”).² At oral argument, the Court correctly noted
5 Plaintiff’s failure to seek cancellation of the IPC registration. [Transcript of July 13,
6 2009 Oral Argument, at p. 39, attached as Exhibit 1] As such, Plaintiff is precluded from
7 asserting a fraud / cancellation claim or defense for the first time at this late stage.

8 Second, as noted above, Defendants do not claim infringement, and do not seek
9 to introduce the IPC Mark registration in support of any affirmative claim against
10 Plaintiff. Rather, Defendants seek to introduce the registration primarily to demonstrate
11 that the Patent and Trademark Office examined the marks and allowed the IPC Mark
12 and Plaintiff’s registered marks to coexist on the Principal Register. As such, whatever
13 evidence Plaintiff may seek to introduce to establish alleged fraud would have little, if
14 any, probative value to the issues involved in this case, namely whether Defendants’
15 sponsorship of a NASCAR team and offering of franchises in California and
16 surrounding states beginning in 2008 somehow infringes on Plaintiff’s trademark rights.

17
18 ² The only mention of “fraud” in Plaintiff’s Amended Complaint is in its
19 general allegations which references the pending TTAB proceedings, wherein Plaintiff
20 has claimed that Defendants’ federal trademark registration was procured by fraud.
21 [Doc. 90, ¶¶ 58, 60] Plaintiff has never asserted, and has never sought to amend its
22 complaint to assert, a claim of cancellation of the IPC registration on the basis of
23 fraud. In answering Defendants’ counterclaims, Plaintiff does not even mention fraud,
24 let alone assert fraud as an affirmative defense.

25 Plaintiff’s mere references to its fraud allegations in the TTAB proceedings is
26 insufficient to plead such fraud “with particularity” as required by Rule 9(b), Fed. R. Civ.
27 P, and therefore such allegations of fraud in support of Plaintiff’s claims or defenses should
28 be “disregarded.” *See Kearns v. Ford Motor Co.*, 567 F.3d 1120 (9th Cir. 2008) (“Rule
9(b) requires that, when fraud is alleged, ‘a party must state with particularity the
circumstances constituting the fraud’ Any averments which do not meet that standard
should be ‘disregarded,’ or ‘stripped’ from the claim for failure to satisfy Rule 9(b).”).

1 Moreover, whatever probative value such evidence may have would be outweighed by
2 the unnecessary expansion of trial and risk of confusing the jury should Plaintiff be
3 allowed to foray into alleged “fraud” from nearly ten years ago. Fed. R. Evid. 403.

4 Plaintiff’s argument that it need not assert a claim for cancellation to present
5 evidence of invalidity of the IPC registration does not hold water. The purpose of
6 Plaintiff’s attempt to introduce evidence of invalidity is precisely to support its claim
7 (which is not before this Court) that IPC allegedly is not entitled to a registration. Hence,
8 contrary to Plaintiff’s arguments, seeking cancellation of a federal trademark registration
9 and asserting its invalidity are one in the same, and Plaintiff’s failure to plead or assert
10 cancellation / invalidity should preclude Plaintiff from doing so now. The fact that the
11 USPTO ultimately did not find a likelihood of confusion between the marks certainly is
12 relevant to the claims and defenses actually asserted in this case. However, Plaintiff’s
13 allegations of fraud in the application process has no relevance to the issue of likelihood
14 of confusion between the marks, especially in a case where Plaintiff is not even seeking
15 cancellation of the IPC registration. By failing to plead or raise in a timely manner any
16 claim about cancellation or alleged fraud on the USPTO in this case, Plaintiff failed to
17 put the Court on notice and failed to put Defendants on notice that they apparently intend
18 to try to introduce evidence regarding the alleged invalidity of the IPC registration. Thus,
19 Plaintiff should not be able to introduce such evidence now.

20 Finally, Plaintiff would not suffer any prejudice should the Court preclude
21 Plaintiff’s evidence of alleged fraud on the USPTO. Plaintiff made exactly the same
22 “fraud” arguments in the TTAB proceedings between the parties, as part of its
23 cancellation claim, and Plaintiff had the opportunity to brief those issues fully with
24 before TTAB. Thus, Plaintiff’s right to claim invalidity / cancellation of the IPC
25 registration has not been impeded in any way. While the TTAB proceeding is
26 suspended pending the outcome of this case, Plaintiff can continue to pursue its
27 cancellation claim before the TTAB, subject of course to any determination regarding
28 likelihood of confusion which would preclude any inconsistent result in the TTAB.

1 **CONCLUSION**

2 For these reasons, Defendants respectfully request that the registration for the IPC
3 Mark be admitted into evidence, and that Plaintiff be precluded from presenting
4 irrelevant and prejudicial evidence pertaining to alleged fraud in the registration process.

5 Dated: July 27, 2009

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22 Incredible Pizza Franchise Group, LLC;
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1 **PROOF OF SERVICE**

2 **1013 A(3) CCP REVISED 5/1/88**

3 STATE OF ARIZONA, COUNTY OF MARICOPA

4 I am employed in the County of Maricopa, State of Arizona. I am over the age of 18 and not
5 a party to the within action. My business address is 16427 North Scottsdale Road, Suite 300,
6 Scottsdale, Arizona 85254.

7 On July 27, 2009, I served the foregoing document described as **DEFENDANTS'**
8 **BRIEF RE RELEVANCE AND ADMISSIBILITY OF DEFENDANTS'**
9 **FEDERAL TRADEMARK REGISTRATION** on the interested party in this action by
10 placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

11 **SEE ATTACHED SERVICE LIST**

12 ☐ **BY MAIL:** I am "readily familiar" with the firm's practice of collection and
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15 course of business. I am aware that on motion of the party served, service is presumed invalid if
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28 of this court at whose direction the service was made.


Jamie Tuccio

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